

PRESIDENT: Is it extensive?

CLERK: Yes.

PRESIDENT: Are there other Warner amendments that we will differentiate here, like Warner 2 or something?

CLERK: Well this is the first one.

PRESIDENT: The chair recognizes Senator Warner.

SENATOR WARNER: Mr. President, I move adoption of the amendment. This first amendment which I have is one which is a clarification of the rate setting procedure by the Board of Equalization in assessment. Many of you will recall a few weeks ago in visiting with the Attorney General's office, it was felt that the present statutes which required the Board of Equalization to take into account fixed appropriations or obligations was thought to be sufficient in setting rates so that funds could be provided to be appropriated by subsequent sessions of the Legislature and in a time period that that particular session would be appropriating funds. In visiting with a number of Senators who are involved in this and visiting with the Attorney General indicated that they did not feel that the amendment or the statute as was drafted and passed in 1971 was adequate. What this amendment does is redefines this procedure for the Board of Equalization so not only do they take into account appropriations but also express obligations, that is expressed by the Legislature for the next two succeeding calendar years and that they should also take into account the revenue as it would come in as well as time periods which it would be paid out, so there would be an adequate cash flow at all times as far as the State Treasury is concerned. Now the reason that we put in the next two calendar years, if I can explain it verbally. By and large what is done now in the State Board of Equalization would be meeting this November date. Essentially what they would be using as the guideline for setting rates would be the appropriation starting July 1 of this year through June 30th of 1974 and as the statute is now written, they would not perhaps be required to take into account legislation which was enacted this session or some previous session in which the appropriation would be made the last half of 1974 and the first six months in 1975. Now in order to then project these, the amendment as I have offered will be necessary. The Legislature will have full control in that the manner in which bills are passed, the authorization, will determine whether or not the State Board of Equalization must take these figures into account and they will be either in the form of a fixed dollar amount, which is to be transferred at a given date, or else, it will be an expressed formula which will not be subject to interpretation but would be strictly a mathematical calculation which would be considered by the Board of Equalization in assessment. In all cases, the money would not be spent unless and until the Legislature had appropriated it but it is obviously necessary that these funds be available to the Treasury for programs which are enacted this session or any given session so that there will be adequate funds provided for the subsequent year to be appropriated. There was a great deal of time used in drafting the amendment as it is written. It has been checked by several and I think that it is the amendment which will be proper and one which will give greater clarification than now exists as far as the Board of Equalization in assessment is concerned when they take into account the future needs as determined by the Legislature when setting rates. Mr. President, I move the amendment be adopted.

PRESIDENT: Any further discussion of the Warner amendment? Senator Whitney.

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